



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

February 13, 2007

XTO Energy, Inc.
Attn: Mr. Ryan O'Kelley
810 Houston St.
Fort Worth, TX 76102-6298

Administrative Order NSL-5568

**Re: Ohio C Govt. Well No. 3F
K-26-28N-11W
San Juan County**

Dear Mr. O'Kelley:

Reference is made to the following:

(a) your application (**administrative application reference No. pTDS07-01647466**) submitted to the New Mexico Oil Conservation Division (the Division) in Santa Fe, New Mexico on January 16, 2007, and

(b) the Division's records pertinent to this request.

XTO Energy, Inc. (XTO) has requested to drill its proposed Ohio C Govt. Well No. 3F at an unorthodox Mancos gas well location, 1420 feet from the South line and 2170 feet from the West line (Unit K) of Section 26, Township 28 North, Range 11 West, N.M.P.M., in San Juan County, New Mexico.

The SW/4 of Section 26 will be dedicated to this well in order to form standard 160-acre wildcat Mancos gas spacing unit. The proposed location in the Mancos is governed by statewide Rule 104.C, which provides for 160-acre units with wells located at least 660 feet from a unit outer boundary. The proposed location is approximately 470 feet from the eastern boundary of the proposed unit.

Your application has been duly filed under the provisions of Division Rules 104.F and 1210.A(2).

It is our understanding that XTO is seeking this location for topographical reasons. Moving this well west to a standard location would place it on very steep terrain.

It is also understood that XTO has given notice of this application to all owners of operating rights in the Mancos unit towards which the proposed unorthodox location encroaches.

Pursuant to the authority granted me under the provisions of Division Rule 104.F(2), the above-described unorthodox location is hereby approved.

Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P.E.
Director

MEF/db

cc: New Mexico Oil Conservation Division - Aztec
United States Bureau of Land Management - Farmington